NEWBRIDGE CAPITAL INC.

Management's Discussion & Analysis

Nine Months Ended December 31, 2011

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Management's Discussion and Analysis ("MD&A")
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The effective date of this MD&A is February 23, 2012

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Newbridge Capital Inc. (the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the nine months ended December 31, 2011. This MD&A was written to comply with the requirements of National Instrument 51-102 Continuous Disclosure Obligations.

This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the year ended March 31, 2011, as well as the unaudited condensed consolidated interim financial statements for the nine months ended December 31, 2011, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included.

The results for the interim periods presented are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at this date, unless otherwise indicated.

As of April 1, 2010, the Company adopted International Financial Reporting Standards ("IFRS"). The condensed consolidated unaudited interim financial statements for the three months ended June 30, 2011, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), and using accounting policies consistent with IFRS. Readers of this MD&A should refer to "Change in Accounting Policies" below for a discussion of IFRS and its effect on the Company's financial presentation.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors.

Additional information regarding the Company can be found on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Description of Business

The Company was incorporated under the Business Corporations Act of British Columbia on September 12, 2005 and was initially classified as a Capital Pool Company ("CPC") as defined by Policy 2.4 of the TSX Venture Exchange (the "TSX").

On March 12, 2010, the Company completed its Qualifying Transaction ("QT") as defined by the policies of the TSX and emerged from being a CPC to a Tier 2 listed mining issuer on the TSX.

Overall Performance

In December 2011, the Company entered into a share purchase agreement (the "SPA") with Safin Element GmbH. ("Safin"), a private Austrian company, to acquire all of Safin's 100% beneficial interest (the "Interest") in the Lomonosovskoye Limited Liability Partnership (the "LP") (the "Transaction"). Pursuant to a contract between the LP and the Ministry of Industry and New Technologies of Kazakhstan dated March 20, 2009 and as amended on July 31, 2009 and December 28, 2010 (the "Subsoil Use Contract"), the LP holds unrestricted exploration and production rights to the Lomonosovskoye iron ore deposit (the "Deposit"), located in Kostanay Oblast, Kazakhstan. Prior to the completion and as part of the Transaction, the Company will complete a non-brokered private placement financing of up to 145,000,000 common shares for gross proceeds of up to CAD $29 million at a price of C$0.20 per share. This amount was subsequently reduced to 125,000,000 common shares for gross proceeds of $25,000,000. This transaction is progressing but had not closed as of the date of this report,

For full details of the transaction, please see the Proposed Transaction section below or the Company's news release dated December 19, 2011 that is available at www.Sedar.com.

Treadwell Property

The road accessible Treadwell Property is located 28 km (17.5 miles) northwest of the city of Kamloops on Cannell Creek at the southern edge of the Tranquille Plateau, British Columbia. Access is easily gained by a main logging road that runs northwesterly through the property. A two-wheel drive vehicle is quite adequate for the main road. However, parts of the property are accessible by older logging and mining roads where four-wheel drive is necessary. The Property is found within the Thompson Plateau, which is a physiographic unit of the Interior Plateau System. The Thompson Plateau consists of gently rolling upland of low relief for the most part. On the Treadwell Property the elevations vary from 1130 meters (3700 feet) at the southeastern edge of the property to 1,550 meters (5,100 feet) within the northwestern corner. Steep to moderate slopes to gently rolling hills with variable soil cover blanket much of the property. The steep slopes occur mostly along Cannell Creek and its tributaries. The main water sources are Cannell Creek with its tributaries, which flow easterly and southeasterly through the southern portion of the claims. Tree cover is generally that of open forest, with some grasslands as well as some thick second growth. Parts of the property have been logged. Glaciers occupied the Thompson Plateau and thus much of the claim area is covered by glacial drift, which can become quite deep over the flatter areas.

2010 Exploration Program

In June 2010, an additional IP survey was conducted over sections of the Treadwell property to further identify the drill targets. Subsequent to this, a notice of work and reclamation was submitted to British Columbia Ministry of Energy, Mines and Petroleum Resources and a permit to drill test some of the many gold stockwork and Afton style porphyry copper-gold targets on the Treadwell property was received.

The Phase 1 diamond drilling program was completed in mid-November 2010. Eight holes totaling 1125.3 metres were drilled.

The first two holes were drilled into a combination of IP and MMI soil anomalies to test for 'Afton style' porphyry copper targets. Neither hole intersected mineralization, ending in basaltic cover rocks determined to be over 700 feet thick. No geochemical sampling was completed for the first two holes.

The remaining six holes tested two out of three gold targets in the historic Allies part of the property. Due to reported poor recovery of the historic drilling, sludge samples were also taken of most holes in this phase. The core was delivered from the drill site to a secure core processing facility in Kamloops B.C. Employees of Renaissance Geoscience Services Inc. of Kamloops B.C. analyzed the samples for recovery, magnetic susceptibility and conductivity. In addition, the samples were digitally imaged and geologically logged. The sections of core chosen to be sampled were either split with a manual core splitter, or, if considered competent enough, cut with a 12 inch core saw. All holes were sampled and analyzed at Ecotech Laboratory Ltd. in Kamloops B.C. for gold (Fire assay AA finish) and 34 element ICPMS finish. Field standards and blanks were inserted approximately every 23 samples. The field standard used was CU130 from WCM Minerals Ltd. of Vancouver, B.C.

Hole TA10-03 was designed to “twin” hole 86-01 at the Dodd’s showing 900 metres south of the Allies showing and was collared 4 metres west, drilled 5 degrees deeper and 5 degrees to the right (west) of hole 86-01. Hole 86-01 intersected from 109 to 110 m reporting 0.85 g/t gold, from 116 to 116.7 m grading 0.960 g/t gold and from 123 to 125 metres grading 1.3 g/t gold. These intervals were within a larger interval from 107 to 128 metres reporting additional gold values ranging from trace to 0.55 g/t gold. Analyses for other elements were not performed.

Hole TA10-03 intersected a large shear zone hosting strongly sheared and variably sulphide mineralized ultramafic picrite and Nicola augite porphyry basalts with minor intercalated Kamloops Group volcanics. This hole intersected from 107.1 m to 113.45 m, 0.762 g/t gold including 1.25g/t gold from 108.51 to 110.03 metres. An average core angle of 15 degrees infers a true thickness of less than one and a half metres for this interval.

A second interval from 126.8 to 147.4 m grading from trace to 0.4 g/t over greater than 1 meter was intersected. Shear angles within this interval were at higher core axis angles. The same intervals of core reporting gold were also highly anomalous for mercury and moderately anomalous for silver and arsenic. Copper, iron, molybdenum, and sulphur were weakly anomalous along with elevated cadmium, potassium, tellurium. Calcium, chromium, nickel and strontium levels were lower than average.

In conclusion gold values were very similar to the values obtained in 1986, although the interval reporting gold in hole TA-10-03 was larger with upper and lower sections of higher values than seen in hole 86-01 which had a single long interval that began lower down and ended higher up than the intersections in hole TA10-03. The highly anomalous and more widespread arsenic and mercury with weaker antimony values is a very encouraging indication that these holes intersected part of a large and potentially much better gold mineralized structure along strike and more importantly at depth. Analytical results of the sludge samples also indicated gold and related indicator elements in slightly lower quantities than the core.

Holes TA10-04 to 08 were drilled under the gold bearing subcrop material at the Main or Allies showing. All previous trenching and drilling has failed to encounter a bedrock source of the mineralized ‘porphyry’. The current drilling, which tested directly under rock hosting the mineralization, revealed that directly under Cannel Creek (and the showings) is a major steeply dipping northwest striking fault with a deep accumulation of Kamloops Group felsic angular fragmental volcanics underlying the later Miocene basalt northeast of the creek. Included in the fragmentals are innumerable pyrite mineralized angular silicified feldspar porphyry fragments that appear to be similar to the porphyry at the Allies showing However they do not appear to carry any gold or other indicator elements. The fragmental appears to be compositionally similar to the much finer grained subaqueous appearing tuff found in hole TA10-02, approximately 400 metres north. The picrite-augite porphyry package underlying the southwest side of the creek has been intruded by several Kamloops Group tertiary dykes. Most dykes host minor pyrite mineralization. However, no intercepts returned any gold or indicator element values. The accumulation of mineralized felsic feldspar porphyry found on surface appears to be a partially exposed and frost fractured portion of an otherwise eroded and at depth faulted remnant of a probably much larger flow-dome body. The felsic intrusive intersected at depth although approaching the alteration and visual mineralization found at surface are obviously not the source of the mineralization at that location.

The Southwest Showing, 500 metres west of the Allies showing, and the many gold showings in Watching Creek area several kilometers to the east were not tested by this program. Both targets host one or more > 1 g/t gold intersections in historical drill holes. Newbridge Management is reviewing the results to determine the direction of future exploration expenditures on the property which will require additional financing and may include further geophysics being done prior to the next phase of drilling. The Company has filed completed work assessments to maintain property lease status.

Future Exploration Program

After filing the assessment report with the British Columbia government in May 2011, the titles making up the Treadwell Property are in good standing until dates ranging from Oct 15, 2013 to October 15, 2018. No exploration work was performed during the nine months ended December 31, 2011. The next phase of exploration will require the Company to complete an equity financing. Management is currently reviewing all available options for the Treadwell property.

Financing Activities During The Nine Months Ended December 31, 2011

During the nine months ended December 31, 2011, 300,000 common shares were issued upon the exercise of 300,000 incentive stock options for gross proceeds of $49,500.

Summary of Quarterly Results

The following table sets forth a comparison of revenues and earnings for the previous eight quarters:

Basis of Preparation	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	GAAP
Quarter	2012 Third	2012 Second	2012 First	2011 Fourth	2011 Third	2011 Second	2011 First	2010 Fourth
Revenue	-	-	-	-	-	-	-	-
Capital Exp	-	-	-	-	-	-	-	-
Net Loss	(25,063)	(37,372)	(19,066)	(775)	(21,691)	(80,583)	(17,182)	(55,035)
Net Loss per Share	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)	(0.02)

Financial Results of Operations – Third Quarter Ended December 31, 2011

During the three months ended December 31, 2011, the Company incurred a net loss of $25,063 compared to $21,691 in the previous year. This amount was made up entirely of administrative expenses as in the previous year.

Expenses for the three months ended December 31, 2011 were fairly consistent with the same period of the previous year. Professional fees were slightly higher due to increased legal fees related to the proposed transaction discussed below.

Cash used in operations during the three months ended December 31, 2011 was $41,158 compared to $35,038 in the previous year. The increase was mainly due to a decrease in accounts payable in the current period. Cash provided by financing activities was $97,355. during the three months ended December 31, 2011 compared to $Nil during the previous year. Two loans were received. One loan, for $50,000, is unsecured, payable upon demand and pays interest of 6% per annum. The funds were borrowed to provide working capital for the parent Company. The second loan was for $47,355 (EUR $35,000). The funds are being used for working capital for the Company's Austrian subsidiary that was established in December 2011. The loan was interest free and payable on demand. Both loans were repaid in full in February 2012. There was no cash used in investing activities during the three months ended December 31, 2011.

Liquidity and Capital Resources

As at December 31, 2011, the Company had a working capital deficit of $37,665 (March 31, 2011 - $922) including cash and cash equivalents of $59,682 (March 31, 2011 - $39,964), accounts receivable of $7,378 (March 31, 2011 - $4,020), prepaid expenses of $Nil (March 31, 2011 - $3,726) and current liabilities of $104,725 (March 31, 2011 - $46,788).

In December 2011, the Company initiated a private placement financing to issue up to 145,000,000 common shares at a price of $0.20 per share for gross proceeds of $29,000,000. This amount has since been reduced to $25,000,000. Under certain circumstances the Company may, instead of issuing shares, issue subscription receipts for the same consideration. Each subscription receipt will convert to one (1) share of the Company on that date being four (4) months and one (1) day from the closing of the Financing. The Company may pay finder's fees in cash and/or shares of the Company to qualified arm's length finders in connection with the Financing.

The Company does not have enough funds to finance the next year of operations but expects to obtain financing in the future primarily through further equity and/or debt financing. There can be no assurance that the Company will succeed in obtaining financing in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its mineral properties.

Credit Facilities

The Company has no credit facility outstanding as at December 31, 2011.

Contractual Obligations

On March 1, 2010, the Company entered into an agreement with New Dawn Holdings Ltd. Under the terms of the agreement the Company pays the sum of $4,000 per month for CFO and administrative services, $1,000 per month for rent and reimburses direct office expenses. The agreement is on a month to month basis and may be terminated by either party with 30 days notice.

Off Balance Sheet Arrangements

As at December 31, 2011, the Company had no off-balance sheet arrangements.

Proposed Transaction

In December 2011, the Company entered into a share purchase agreement (the "SPA") with Safin Element GmbH. ("Safin"), a private Austrian company, to acquire all of Safin's 100% beneficial interest (the "Interest") in the Lomonosovskoye Limited Liability Partnership (the "LP") (the "Transaction"). Pursuant to a contract between the LP and the Ministry of Industry and New Technologies of Kazakhstan dated March 20, 2009 and as amended on July 31, 2009 and December 28, 2010 (the "Subsoil Use Contract"), the LP holds unrestricted exploration and production rights to the Lomonosovskoye iron ore deposit (the "Deposit"), located in Kostanay Oblast, Kazakhstan.

Safin will maintain an approximate 15% indirect interest in the Deposit through the shares of the Company it will receive, as noted below, as part of the consideration for the sale of the Interest to the Company.

Lomonosovskoye Iron Ore Deposit

The Deposit is located in the northwest corner of the Republic of Kazakhstan in the Kostanay Region, 618km northwest of the country's capital of Astana and 50 west-southwest of the regional capital of Kostanay.

The iron ore deposits, along with a number of significant magnetite deposits, occurs in the Turgai belt of the regional Valerianovskoe magmatic arc in northern Kazakhstan. The magnetite deposits of the Valerianovskoe magmatic arc are hosted by andesitic volcanics, pyroclastics, and intercalated sediments and carbonates of the Valerianovo supergroup. Large gabbro-diorite-granodiorite igneous bodies of the Sarbai-Sokolovsk and Sulukolskaya complexes are related to the mineralization, with granitic facies interpreted as having been intruded from Mid-Visean to Permian period. In some deposits, the host sedimentary sequence is cross cut by post-ore dioritic porphyry. The Palaeozoic units of the Turgai belt in Kazakhstan are entirely covered by Mesozoic to Cainozoic sediments which are from 40 to 180 m in thickness.

The Deposit comprises two deposit sites: the North-Western ("NW") deposit and Central deposit, which differ in geological structure, genesis and composition of ores. Although they are located within 1 km of each other, they are considered as individual deposits being separated by a diorite intrusion. Historical work to date has outlined skarn iron ore mineralization at the NW Deposit and the Central Deposit beneath 100m of overburden and extending to 1400m depth in the NW Deposit, and some 900m at Central. The mineralization outlined by the historical drilling has not been closed off at depth at the NW Deposit and may be open at Central.

A technical report dated December 15, 2011 prepared by Mining Associates Pty Ltd. of Australia with respect to the Deposit and compliant with NI 43-101 has been completed and will be filed with the TSX Venture Exchange (the "Exchange") for review and will be filed on SEDAR if and when the proposed Transaction closes.

Kazakhstan

From Kazakhstan's independence from the Soviet Union over 20 years ago, President Nursultan Nazarbayev, with the assistance of Prime Minster Karim Massimov, have played proactive roles in modernizing and transforming the country into a dynamic independent state. This transaction would not have been possible without the efforts of these two gentlemen.

Proposed Transaction

The first payment is USD $18,768,000 comprising a cash payment of USD $14,152,800 and that number of shares of the Company equal to dividing the sum of USD $4,615,200 by Cdn$0.20 per share (the "First Instalment") USD $4,615,200, and will be paid to Safin on the closing of the Transaction.

The second instalment is a condition payment and is the sum of USD $25,760,000 comprising a cash payment of USD $22,190,000 and that number of common shares of the Company equal to dividing the sum of USD $3,570,000 by 100% of the volume weighted average trading price of the Company's share for the 5 consecutive trading days ending on the trading day preceding the date the Company issues the shares to Safin (the "Second Installment").

The third instalment is a condition payment and is the sum of USD $25,760,000 comprising a cash payment of USD $22,190,000 and that number of common shares of the Company equal to dividing the sum of USD $3,570,000 by 100% of the volume weighted average trading price of the Company's share for the 5 consecutive trading days ending on the trading day preceding the date the Company issues the shares to Safin (the "Third Installment").

The Second Installment is due on or before thirty (30) business days following receipt by the Company of the results of tests by an independent laboratory to confirm to the Company's satisfaction, acting reasonably, the iron ore product quality of the Deposit (the "Quality Test"). The Company expects that the Quality Test will be completed in the 3rd quarter of 2012.

The Third Installment is due on or before thirty (30) business days following receipt by the Company of the results of a drilling program to be undertaken by the Company in 2012, confirming, to the Company's satisfaction, acting reasonably, the level of certainty of the historical mineral resources of the Deposit and the completion by the Company of a resource estimate to be conducted by and under the supervision of an independent qualified person and senior resource geologist (collectively the "Resource Estimate"). The Company expects that the Resource Estimate will be completed in the 4th quarter of 2012.

In the event the Company is not satisfied with either the Quality Test or the Resource Estimate, the Company has the right, up to and including September 12, 2012, to sell back the Interest to Safin and Safin is obligated to purchase from the Company the Interest for that amount equal to the First Instalment (and the Second Instalment if previously paid by the Company to Safin) less certain expenses incurred by the LP to meet its obligations under the Subsoil Use Contract and unrecoverable taxes paid by Safin to the Kazakhstan state.

A finder's fee payable in instalments is payable to a third party for introducing the proposed Transaction to the Company. The payments are**:**

1. USD $1,662,464 upon approval of the Transaction by the Kazakhstan authorities;
2. USD $1,766,368 upon the payment of the Second Instalment; and
3. USD $1,766,368 upon the payment of the Third Instalment.

Private Placement

Prior to the completion and as part of the Transaction, the Company will complete a non-brokered private placement financing (the "Financing**")** of up to 145,000,000 common shares for gross proceeds of up to CAD $29 million at a price of C$0.20 per share. This amount has since been reduced to 125,000,000 common shares at a price of C$0.20 per share for gross proceeds of $25 million. Under certain circumstances the Company may, instead of issuing shares, issue subscription receipts for the same consideration. Each subscription receipt will convert to one (1) share of the Company on that date being four (4) months and one (1) day from the closing of the Financing.

The Company reserve the right to pay finder's fees in cash and/or shares of the Company to qualified arm's length finders in connection with the Financing.

Change of Name

Subject to the Transaction closing, the Company intends to change its name to KazaX Minerals Inc.

The transaction qualifies as a "Reviewable Transaction" under the policies of the Exchange and remains subject to regulatory approval as well as the approval of the Kazakhstan authorities.

There can be no assurance that the proposed Transaction will be completed as proposed or at all.

Subsequent Event

Subsequent to December 31, 2011, the Company:

i) appointed David Savage to the Board of Directors;

Related Party Transactions

There were no related party transactions during the nine months ended December 31, 2011.

Outstanding Share Data

Common shares outstanding

	Number of Shares
Issued and outstanding	8,350,000
Warrants outstanding	4,950,000
Stock options outstanding	100,000
Fully diluted at February 23, 2012	13,400,000

The first 1,100,000 shares issued to founders were subject to an escrow agreement. Pursuant to the escrow agreement, 10% of the escrowed shares were released upon receipt of the Final Exchange Bulletin (the "Initial Release") issued by the TSX signifying the acceptance of a "qualifying transaction" and 15% will be released every six months thereafter for a period of thirty-six months. The balance of shares held in escrow at December 31, 2011 and the date of this report was 495,000.

Stock Options Outstanding

On August 1, 2010, 95,821 options expired unexercised. On August 24, 2010, 400,000 incentive stock options priced at $0.165 were granted to the directors of the Company with an exercise price of $0.165 and an expiry date of August 24, 2015. In April 2011, 200,000 incentive stock options were exercised leaving an outstanding balance of 200,000 at $0.165 per incentive stock option. In August 2011, an additional 100,000 incentive stock options were exercised leaving an outstanding balance of 100,000 at $0.165 per incentive stock option.

Financial Instruments and Other Instruments

As at December 31, 2011, the Company's financial instruments consist of cash and accounts payable. The Company is not exposed to derivative financial instruments. It is management's opinion that the Company is not exposed to significant interest and currency risks arising from its financial instruments and their fair values approximate their carrying values. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with high credit quality financial institutions.

Critical Accounting Policies and Estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next financial year are discussed below:

i) Rehabilitation Provisions

Asset retirement obligation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market conditions at the time of the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently estimated.

ii) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

iii) Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

iv) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same table entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

v) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrumented granted, measured at the repurchase date. Any such excess is recognized as an expense.

First Time Adoption of International Financial Reporting Standards

The Company's consolidated financial statements for the year ending March 31, 2012 will be the first annual financial statements to be prepared in accordance with IFRS. IFRS 1, First Time Adoption of International Financial Reporting Standards, requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was April 1, 2010 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be March 31, 2012.

Prior to transition to IFRS, the Company prepared its financial statements in accordance with pre-changeover Canadian Generally Accepted Accounting Principles ("pre-changeover Canadian GAAP").

However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adoption In preparing the Company's opening IFRS financial statements, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with pre-changeover Canadian GAAP.

No mandatory exceptions were applied.

Four optional exemptions were applied.

IFRS 1 First-Time Adoption of International Financial Reporting Standards allows first time adopters certain exemptions from the retrospective application of certain IFRS.

The Company applied the following exemptions:

Deemed costs

At the transition date, the Company elected to continue with the policy of measuring mineral property costs at the previous Canadian GAAP historical cost.

Share-based Payment Transactions

The exemption directs that a first-time adopter is encouraged, but not required, to apply IFRS 2 Share-based payment transactions to equity instruments that were granted on or before November 7, 2002. This exemption has been taken, since it restricts the time period for share-based payment review to November 7, 2002 forward.

Under a second exemption, options granted subsequent to November 7, 2002 which vested prior to the transition date require no further review. The Company has elected not to retrospectively apply IFRS 2 to equity instruments that were granted and had vested before the Transition Date. As a result of applying this exemption, the Company will apply the provisions of IFRS 2 only to all outstanding equity instruments that are unvested as at the Transition Date to IFRS.

Options unvested at the transition date would be subject to review. At the transition date, the Company had unvested options. However the Company expensed the unvested portion of these options prior to the transition date. No adjustment is required upon transition.

Extinguishing Financial Liabilities with Equity Instruments

IFRIC 19 provides guidance on how an entity should account for such transactions in accordance with IAS 39 Financial Instruments: Recognition and Measurement and IAS 32 Financial Instruments: Presentation. A first-time adopter may apply the transitional provisions in IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments for such transactions occurring prior to the Transition date.

Cumulative Translation Differences

The exemption directs that cumulative translation differences for all foreign operations are deemed to be zero at the date of transition to IFRS: and the gain or loss on a subsequent disposal of any foreign operation shall exclude translation differences that arose before the date of transition to IFRS and shall include later translations differences. Taking the exemption is precautionary in nature. Any potential subsequent re-interpretation of the functional currency of the company will be limited retroactively to the date of transition.

The reader of this MD&A should refer to Note 16 of the unaudited Consolidated Financial Statements for the Three and Nine Months ended December 31, 2011 that includes detailed reconciliation statements for the applicable periods.

Risks and Uncertainties

The Company's principal activity is mineral exploration. As such, the Company is exposed to a number of risks, including the financial risks associated with the fact that it has no operating cash flow and must access the capital markets to finance its activities. There can be no assurances the Company will continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs.

Other risks include, but are not limited to, environmental, fluctuating metal prices, political and economical. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The Company has a small management team and the loss of a key individual or the inability to attract suitably qualified personnel in the future could materially and adversely affect the Company's business.

Although the Company has taken steps to verify the title to its mineral property, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has no significant source of operating cash flow and no revenues from operations. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish ore reserves. The Company's mineral properties are in the exploration stage only, and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. Exploration of the Company's mineral property may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company. The risks and uncertainties described in this section are not inclusive of all the risks and uncertainties the Company may be subject to.

The Company will be subject to normal market risks including fluctuations in foreign exchange rates. While the Company expects to manage its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

Forward Looking Statements

This report contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "schedule", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this news release contains forward looking statements and information concerning the Company s future operations and prospects. The forward-looking statements and information are based on certain key expectations and assumptions made by the Company, including expectations and assumptions concerning equipment and crew availability, and joint venture partner financial capability. Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because the Company can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the Company's actual results and experience to differ materially from the anticipated results or expectations expressed. These risks and uncertainties include, but are not limited to, reservoir performance, labour, equipment and material costs, access to capital markets, interest and currency exchange rates, and political and economic conditions. Additional information on these and other factors is available in continuous disclosure materials filed by the Company with Canadian securities regulators. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date it is expressed in this news release or otherwise, and to not use future-oriented information or financial outlooks for anything other than their intended purpose. The Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.